

**Rhode Island Economic Development Corporation**

**Enterprise Zone Council**

**Minutes of Meeting of June 15, 2010**

**RIEDC: Providence Room**

**315 Iron Horse Way, Suite 101**

**Providence, RI 02908**

**In attendance:**

**COUNCIL AFFILIATION**

**D. Varin Vice Chairman**

**B. Parsons RIEDC**

**R. Caniglia Stand Corporation**

**OTHER AFFILIATION**

**V. Barros RIEDC**

**A. Crisman Mt. Hope EZ**

**M. Godin NEEDS, Inc.**

**R. Griffith Dept. of Administration**

**J. Garrahy Moses & Afonso, LTD**

**L. Diboni City of Cranston**

**K. Cosentino City of Providence**

**At 10:04 Mr. Varin called the Special Meeting the Rhode Island Enterprise Zone Council to order and announced that there was a**

**quorum present.**

**The first order of business before the Council were Minutes from the April 27, 2010 meeting.**

**Mr. Varin asked for a motion to approved the minutes. Mr. Parsons made the motion, which was seconded by Mr. Caniglia.**

**Mr. Varin asked if there was any further discussion of the motion. There being none all voted in favor, the motion was approved unanimously.**

**The next order of business before the Council was 2010 Recommendations for Membership.**

**Mr. Varin informed the Council that there was a revised report that included the addition of 3302 Holding LLC from the Portsmouth/Tiverton Enterprise Zone. Mr. Barros stated that all three (3) applications for membership were reviewed by the appropriate local municipality and staff; as a result, staff recommended approval of all three (3) businesses as presented bring the year-to-date total to twenty-four (24) new EZ member businesses for 2010.**

**Mr. Parsons made a motion to approve the revised 2010 recommendations for membership as presented. The motion was seconded by Mr. Caniglia. Mr. Varin asked if there were any additional**

**comments or questions.**

**Mr. Parsons asked if the AutoZoners' applications were for two separate locations and whether they both were considered retail operations.**

**Mr. Barros confirmed that they were both separate retail locations.**

**There being no further discussion, all voted in favor and the motion was unanimously approved.**

**The next order of business before the Council was 2009 Recommendations for Certification.**

**Mr. Barros stated that they were eight (8) businesses being recommended for 2009 tax certification and that all of the business had satisfied the requirements for year-end tax certification; as a result, staff recommended approval of all eight (8) businesses bring the year-to-date total to forty-five (45) businesses approved for 2009 tax certification resulting in two hundred and one (201) new full-time jobs being created.**

**Mr. Barros also informed the Council that a breakdown of those new jobs created was attached to the recommendations, detailing the job titles and hourly and annualized wages associated with each of the new jobs created.**

**Mr. Varin asked for a motion to approve the 2009 recommendations for certification. Mr. Caniglia made the motion which was seconded by Mr. Parsons . Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**The next order of business before the Council was a Request for 2009 Carry Forward Authorization.**

**Mr. Barros stated that there was one (1) business seeking 2009 tax credit carry forward authorization and that Superior Comfort from the Mt. Hope Enterprise Zone satisfied the requirements for carry forward authorizing namely, maintaining the company's employment benchmark since its last certification and obtaining letters of good standing from all of the required offices of local and state government.**

**Mr. DiBoni asked if this company went through the proper process for carry forward authorization. He talked about the issues the Council has faced before with businesses not following proper procedures and the effort it took for the Council to take corrective action.**

**Mr. Barros stated the Superior Comfort's request had followed the prescribed procedure for carry forward authorization which required companies seeking carry forward authorization to request that**

**authorization from the Council before claiming the unused tax credit on their tax returns.**

**Mr. Parsons asked what Superior Comfort did, what type of company it was?**

**Mr. Barros asked Mr. Crisman if he was familiar with the business and they both speculated that it was a heating and air conditioning service company but couldn't say for certain.**

**Mr. Parsons added that it wasn't relative to the request at hand and that he was just curious.**

**Mr. Parsons made the motion to approve the request, which was seconded by Mr. Caniglia. Mr. Varin asked if there was any further discussion. There being no further questions, all voted unanimously favor of the motion,**

**The next order of business before the Council was Other Business**

**Mr. Barros explained to the Council his understanding of the proposed impact of the passage of two bills H- 8196 and S-2921 by the General Assembly that were signed into law by the Governor on June 9, 2010. The bills effectively lower the Rhode Island personal income rate from 9.99 % to 5.99%, in addition it eliminated a number of tax credits that previously could be claimed against Rhode Island**

**personal income, including the enterprise zone tax credit.**

**He continued, the result of these bills becoming law is that ostensibly only C-corporation would be allowed to claim the enterprise zone tax credit, all other business entities like sole proprietorships, partnerships, LLP, LLC, S-Corps who pass earnings to the business' owners and investors as personal income would be excluded from taking the enterprise zone tax credit.**

**A general discussion ensued about the impact of these changes to the personal income tax code and its negative impact on the enterprise zone tax credit.**

**Mr. Varin asked for a motion to adjourn. Mr. Parsons made the motion to adjourn, which was seconded by Mr. Caniglia. There being no further questions, all voted unanimously favor of the motion.**